

HB 1207, HD1

Measure Title: RELATING TO HUMAN SERVICES.

Report Title: Department of Human Services Compliance; Affordable Care Act

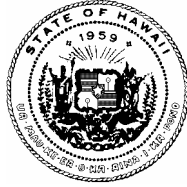
Description: Requires Department of Human Services to submit to Legislature interim reports on program integrity prior to 2014, 2015, and 2016 Regular Sessions and a final report prior to 2017 Regular Session on its compliance with the federal Patient Protection and Affordable Care Act of 2010 as it relates to Medicare and Medicaid. (HB1207 HD1)

Companion:

Package: None

Current Referral: HMS

Introducer(s): JORDAN, CARROLL, HASHEM, KAWAKAMI, MORIKAWA, TOKIOKA, Ing, Lowen, Onishi



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

P. O. Box 339
Honolulu, Hawaii 96809-0339

March 9, 2013

TO: The Honorable Suzanne Chun Oakland, Chair
Senate Committee on Human Services

FROM: Patricia McManaman, Director

SUBJECT: **H.B. 1207, H.D. 1 - RELATING TO HUMAN SERVICES**

Hearing: Saturday, March 9, 2013; 3:00 p.m.
Conference Room 229, State Capitol

PURPOSE: The purpose of the bill is to require the Department of Human Services (DHS) to submit interim reports to the Legislature prior to the Regular Sessions of 2014, 2015, and 2016, and a final report prior to the 2017 Legislative Session on its compliance with the federal Patient Protection and Affordable Care Act of 2010 as it relates to Medicare and Medicaid.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) takes program integrity seriously as well as its responsibility as stewards of taxpayers' monies. The DHS supports transparency of its program integrity efforts and appreciates the intent of this bill.

The DHS is compliant with federal program integrity requirements and support transparency of our activities. We believe that the reporting requirements in this bill, however, can be streamlined to provide updated, unduplicated information for each report.

We respectfully offer the following recommended amendments that would provide the information necessary to monitor the progress of the Affordable Care Act implementation:

- Delete sections (1)(A) (i) through (vi) and replace with:
 - “(i) Implementation of provider enrollment and screening verification program; and
 - (ii) Implementation of recovery audit contractor program.”
- Delete sections (1)(B) (iii) through (vii) and replace with:
 - “(iii) Overpayments recovered; and
 - (iv) Number of referrals to the department of attorney general's Medicaid fraud control unit.”
- Delete sections (1)(C) (2) and (3).

The proposed amendments to be deleted are either redundant of other retained sections, practices already occurring, or in the scope of another agency. For example, we already receive a file from the Social Security Administration on deceased individuals; the high risk of waste and abuse refers to providers and is addressed in the required Medicaid State Plan Amendment on provider enrollment and screening verification; and fraud investigation and penalties are handled by the Department of Attorney General's Medicaid Fraud Control Unit and not the DHS. In addition, providers' eligibility is checked prior to making a payment and we already comply with the national correct coding initiative.

A cost benefit analysis of program integrity activities proposed in this bill would require funds to be appropriated and will need to be procured.

The DHS has many tasks that must be accomplished within a very tight timeline. The proposed amendments will allow the Department to meet time sensitive projects while complying with the required reporting in this bill.

Thank you for the opportunity to testify on this bill.